

MEMORANDUM FOR: Director of Central Intelligence
THROUGH: Deputy Director/Intelligence
SUBJECT: Comment on Senator Symington's
Statements on Economic Growth

1. This memorandum is for your information only. It is responsive to your inquiry concerning Senator Symington's reference on the program, "Face the Nation," to estimates of U.S. economic growth contained in your New Orleans speech.
2. Senator Symington attributed to you the judgment that, "If the United States didn't increase its gross national product by 2.2 percent a year, it would be committing economic suicide. Now it (growth of U.S. GNP) has averaged 1.3 percent in recent years." Senator Symington went on to conclude that the U.S. must grow faster in the future.
3. The specific reference in your New Orleans speech to this matter was, "Secondly, Khrushchev forecasts that our future

industrial growth will be only two percent a year. If this is true, the United States will be virtually committing economic suicide. This prediction I regard as unrealistic." (Para 2, page 12)

4. It is clear from the text that you were not forecasting an industrial growth rate of 2.2 percent a year, but were stating Khrushchev's estimate, and concluding that the Soviet Premier was being unrealistic. Your forecast, not specifically given, but embodied in your estimate that Soviet industry would be about 55 percent of our own by 1965, was that U.S. industry would grow at an annual rate of 4 percent. Finally, all your comparisons were of industrial production, not of gross national product, as stated by Senator Symington.

5. In the five year period 1953-58, U.S. gross national product (measured in 1958 constant dollars) increased at an annual rate of 1.3 percent. Presumably, this is the time period which Senator Symington used. However, 1953 was a year of prosperity, stimulated by the Korean war, and 1958 was a year of recession. By selecting this span of years, Senator Symington arrived at a measurement of economic growth substantially below the long-term trend in the United States, which has been about

3 percent a year. We would conclude that in this instance Senator Symington, like Khrushchev, is being unrealistic.

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OTTO E. TUTTLE
Assistant Director
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